GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3851
ANSWERED ON:17.08.2000
LOSS SUFFERED BY OIL SECTOR PSUS
MOHAMMED SHAHABUDDIN

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether owing to getting loan at high rate and investing their funds at low rate the Oil Companies of the Public Sector have suffered loss of crores of rupees during 1993-94 to 1997-98;

(b) if so, whether attention of the Government has been drawn to the adverse impact on the economic condition of these companies due to flawed controlling measures and inadequate working capital;

(c) whether the IOC has suffered loss in the form of late fee for its failure to meet the demands of oil companies involved in refining and marketing;

(d) whether the IOC had to spend more than the estimate due to unexpected increase in expenditure in its headquarters;

(e) if so, the details thereof; and

(f) the concrete action to be taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) As per oil companies, they have not suffered loss. Oil PSUs have generally no long term surplus funds available with them.The temporary surplus funds available with Oil PSUs are utilised by them for their various ongoing projects or short term deposits in Banks etc. as per guidelines laid down by Deptt. of Public Enterprises.

(b) Does not arise.

(c) No, Sir. In fact there is no provision for any late fee payment to meet the demand of other oil companies in the country which are involved in refining and marketing.

(d) The Head Quarter expenses of IOC were within the estimates/budgets and no extra expenses were incurred by them except for the impact of pay revision etc during 1995-96.

(e)&(f) Do not arise.